Mr. K. P. Kannan Nayar (*Secretary to Government*): No.

Mr. V. K. Krishnankutty (*Ezhuvas-Trichur*): May I know, Sir, whether there is any objection to changing this?

Mr. K. P. Kannan Nayar (*Secretary to Government*): There is no necessity to change it.

WATER SUPPLY IN ERNAKULAM.

72. Mr. M. L. Joseph (*Latin Christians-Cranganur*):

(*a*) Why have the Government refrained from giving water supply to many of the newly opened roads of the Ernakulam Town;

(*b*) were there not petitions from more than three people at a time;

(*c*) is not water tax being collected from owners of houses near these roads;

(*d*) do not the Government think it proper to stop collecting water tax from houses which have no facility of getting pipe water?

Mr. K. P. Kannan Nayar (*Secretary to Government*):

(*a*) There is no refraining as alleged. The Municipality is laying mains in new roads as far as funds permit.

(*b*) The Municipality is taking action on the petitions received.

(*c*) Yes.

(*d*) Government do not think so.

LAND MORTGAGE BANK—INSTALMENTS—PARTICULARS REGARDING.

73. Mr. Puthur Achyuta Menon (*Kattur*): Will the Government be pleased to state:—

(*a*) the number of instalments by which thousand rupees (Rs. 1,000) borrowed from the Land Mortgage Bank has to be repaid;

(*b*) has the Government realised the fact that, on account of the present instalment system, poor peasants who really are in need of the Land Mortgage Bank find it difficult to seek its help;

(*c*) will the Government be pleased to reduce the instalment amount, extending the number of instalments?

Mr. P. J. George (*Joint Secretary to Government*):

(*a*) 20 annual instalments. This applies to all sums borrowed (By-law 61).

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(*b*) No. Applications for loans are being received in the Bank continuously almost every day.

(*c*) The Bank does not think it advisable to reduce the instalment amount (which is only Rs. 87—3—0 for a loan of Rs. 1,000) or to extend the number of instalments at present.

Mr. Puthur Achyuta Menon (*Kattur*): Will the Government be pleased to state whether the applications are mostly got from the rich class or from the poor class?

Mr. P. J. George (*Joint Secretary to Government*): From both classes.

Mr. Puthur Achyuta Menon (*Kattur*): Comparatively can the Government say whether there were enough applications from the poor class?

Mr. P. J. George (*Joint Secretary to Government*): Mainly from those who were feeling real necessity for the loan.

Mr. K. Kochukunhan Kaimal (*Vadakkancheri*): Is it because applications are pouring in that the Government have not realised the difficulties experienced by the borrowers for the repayment of instalments? The second part of the question is this: 'has the Government realised the fact that, on account of the present instalment system, poor peasants who really are in need of the Land Mortgage Bank find it difficult to seek its help.' The answer to this is: 'No. Applications for loans are being received in the Bank continuously almost every day.'

Mr. P. J. George (*Joint Secretary to Government*): They are not feeling any difficulty.

Mr. K. Kochukunhan Kaimal (*Vadakkancheri*): What is the basis for the Government to say that persons who have taken loans do not feel it difficult to repay instalments?

Mr. P. J. George (*Joint Secretary to Government*): They regularly pay the instalments.

Mr. Puthur Achyuta Menon (*Kattur*): Is there not a case where regular payments have not been made—where there was a default?

Mr. P. J. George (*Joint Secretary to Government*): There is no default. All are regularly paying.

Mr. K. R. Viswambharan (*Ezhuvas-Talappalli*): May I know, Sir, the difficulty which faces the Government to extend the instalments.

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Mr. P. J. George (*Joint Secretary to Government*) : There are shareholders. They think that there is no necessity to extend the number of instalments.

Mr. Puthur Achyuta Menon (*Kattur*): May I know whether the Government have realised the fact that on account of the huge instalment rate the poor peasants are not applying to the Land Mortgage Bank.

Mr. P. J. George (*Joint Secretary to Government*): We have no information. I just now said that it is the business of the Bank. It is their duty to see to this.

Mr. K. R. Viswambharan (*Ezhuvas-Talappalli*): Has the Government no right to make any recommendation ?

Mr. P. J. George (*Joint Secretary to Government*): It has not yet been brought to the notice of the Government. As matters now stand, things are going on successfully.

Mr. Puthur Achyuta Menon (*Kattur*): Will the Government be pleased to enquire to see whether poor peasants who are in need of the Land Mortgage Bank are benefitted ?

Mr. President: We cannot create a Land Mortgage Bank and then make an enquiry into its working. No system of Land Mortgage Bank can be devised which will reach the absolutely poorest man in the State. It is impossible for any human individual to devise such a scheme. One reason why 20 years time is fixed is on account of the money market conditions. A Land Mortgage Bank has to depend for its funds on Debenture Loans and the tendency in the money market has always been that any loan which has got a maturity of considerably over 20 years has to bear a very high rate of interest if it should be successful. It is only for bonds of 20 years that a reasonable rate of interest can be offered and the debenture loans' success assured. It is not an arbitrarily fixed thing, but is based on experience not merely of India but of the whole world. For example if you issue a 30 years' loan we will have to pay 5 or more per cent interest and even then the loan may not be subscribed. That is one of the psychological tendencies of the money market.

Mr. K. S. Panicker (*Ezhuvas-Mukundapuram*): May I know, Sir, whether the Government has got any idea of reducing the interest ?

Mr. P. J. George (*Joint Secretary to Government*): At present there is no such idea.

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